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Sam Antar  
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November 14, 1995

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Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, DC 20554

FEDERAL COMMUNICATIONS  
COMMISSION  
OFFICE OF THE  
SECRETARY

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Dear Mr. Caton:

On behalf of Capital Cities/ABC, Inc., transmitted herewith for filing with the Commission are an original and ten copies of its Comments in MM Docket No. 87-268.

If there are any questions in connection with the foregoing, please contact the undersigned.

Sincerely,

Sam Antar

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Enclosures

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of )  
 )  
Advanced Television Systems )  
and Their Impact Upon the )  
Existing Television Broadcast )  
Service )

MM Docket No. 87-268

To: The Commission

COMMENTS OF CAPITAL CITIES/ABC, INC.

FEDERAL COMMUNICATIONS  
COMMISSION  
OFFICE OF THE  
SECRETARY

Nov 20 '95

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Capital Cities/ABC, Inc. ("Capital Cities/ABC" or the "company") submits herewith its comments on the Commission's Fourth Further Notice of Proposed Rulemaking and Third Notice of Inquiry (FCC 95-315 released August 9, 1995) ("Fourth NPRM"). Capital Cities/ABC, Inc. is a signatory to the Broadcasters Comments on the Fourth NPRM filed on this date and we support the general thrust of those comments. We have chosen to supplement the views expressed in the Broadcasters Comments with these individual comments in order to present our own views with respect to a number of issues discussed therein and to articulate the overall philosophy we believe should guide the Commission's approach to ATV transition issues.

I. The Company's Interest In this Proceeding

Capital Cities/ABC is the owner of ten television stations and of the ABC Television Network, which has over 220 affiliated stations throughout the United States. The company has been an

active participant since 1987 in the FCC's advanced television ("ATV") proceedings and in the work of the Advisory Committee on Advanced Television established by the FCC to recommend a new broadcast transmission system. The Chairman of the Board of the company serves on the Advisory Committee "blue ribbon" panel and the company's engineers have devoted hundreds of hours to serving on various Committee working parties. Capital Cities/ABC is one of the founding members and principal funders of the Advanced Television Test Center ("ATTC") which performed the laboratory tests of ATV systems under the direction of the Advisory Committee. The company has provided both financial and engineering support for the Committee's field testing project and for the development of the MSTV draft allotments/assignment model which has been submitted to the Commission. Capital Cities/ABC is also a member of the Executive Committee of the Advanced Television Systems Committee ("ATSC") and has actively participated in the work of the ATSC in developing and documenting proposed advanced television standards.

## II. The Principal Purpose of ATV

The Commission began to investigate the possibility of improving television service in late 1986. In 1987, it adopted a Notice of Inquiry to solicit comment on a wide range of issues concerning the technical parameters and regulatory framework for authorizing an improved service. In the same year, the Commission established its all-industry Advisory Committee to make recommendations on advanced television. In 1988, based on the work

of the Advisory Committee and the record developed in response to the Notice of Inquiry, the Commission determined that the public interest would be served by upgrading, to the full extent technically feasible, the quality of picture and sound of programming being made available by the country's free over-the-air broadcast stations. In 1990, the Commission made HDTV the specific goal of the new upgraded television service.<sup>1</sup>

To accomplish the Commission's objectives, two things had to happen. First, a new broadcast transmission standard for the country had to be developed. Second, broadcasters had to be given the means and opportunity to transition to that new standard. To avoid viewer disenfranchisement, this, of necessity, meant that broadcasters would have to be loaned an additional 6 MHz channel during a transition period.<sup>2</sup> At the end of the transition period, one channel would be returned.

The first part of the Commission's plan will soon be achieved. The Advisory Committee has now completed an eight year task involving the participation of well over 1000 industry volunteers,

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<sup>1</sup> The Commission rejected proposals for "enhanced definition" systems (EDTV) because EDTV "falls short of the audio and video quality offered by HDTV." First Report and Order in MM Docket No. 87-268, 5 FCC Rcd 5627 (1990), at paragraph 7.

<sup>2</sup> When the Commission decided in 1990 that a simulcast HDTV system offered the potential for significantly greater improvement in picture and sound quality than NTSC compatible systems, that decision meant that NTSC set owners would not be able to receive the new channels on their existing sets. In order not to cut off television service to 200 million NTSC sets, the Commission established a transition period during which time both channels would operate to allow NTSC set owners to make the conversion to the new sets.

drawn from the broadcast, cable, telephone, DBS, computer and program production industries. The Grand Alliance digital standard developed and tested under the guidance of the Committee will enable this country to assume a position of world leadership in terms of the quality of picture and sound available through our over-the-air system. The Committee is preparing to recommend this standard to the Commission to enable broadcasters to offer within the constraints of a 6 MHz channel HDTV quality pictures and CD quality sound.<sup>3</sup>

With the development of this recommendation, it is now time to implement the second part of the Commission's plan -- providing the means to enable broadcasters to transition this country's free over-the-air system to this new standard. Consistent with the Commission's original approach, the Notice conceives of the second channel not as a separate or new program service, but instead as a loan of spectrum necessary to accomplish an upgrade of existing service, with one of the two channels to be returned at the end of the transition period.

In its Notice, however, the Commission notes the advent of digital transmission and asks whether aspects of this plan need to be reconsidered as a result of this technological change. The answer is no. While the digital transmission standard the Advisory Committee will recommend has made possible new flexibility that may lead to beneficial subsidiary uses, the existence of that

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<sup>3</sup> Based on state-of-the-art technology, HDTV, which requires the transmission of vast amounts of information per second, cannot be accomplished in bandwidths narrower than 6 MHz.

flexibility does not, and should not, alter the essential purpose of the loan of spectrum to broadcasters -- to facilitate the upgrade of our nation's existing free over-the-air system to the highest possible picture and sound quality. Stated somewhat differently, while the technological means to the Commission's end may have changed, the desirability of that end remains unchanged: Americans should have the opportunity to enjoy the highest possible quality picture and sound and broadcasters should be loaned the 6 MHz of spectrum necessary to assure that such programming will be made available through our existing free over-the-air television system.

The rules the Commission promulgates to guide the upgrade of our existing television service should be geared to promote two additional objectives: (1) to assure that viewers are given a fair and reasonable opportunity to determine whether they want HDTV; and (2) to assure that the ATV roll out occurs in a manner that will best stimulate the market for ATV so that the transition can occur in the fastest possible time.

We comment below on two specific implementation issues -- HDTV minimums and simulcasting -- and explain how we believe these principles should guide the Commission's analysis.

### III. Minimum HDTV Hours Requirement

There is no question but that HDTV holds the promise of offering viewers the highest quality picture and sound that is technologically feasible today. At the behest of the Commission,

the industry has spent eight years and millions of dollars in developing this world leading transmission technology. While no one can dictate whether the public will consider the benefits of HDTV great enough to warrant the higher anticipated cost of HDTV-capable digital television sets, the public should be given a fair opportunity to make an informed decision about whether it wants those benefits.

The Commission should assure that HDTV technology is given a fair market test. But this requires addressing in a realistic manner the potential impediments to such a test. The only way for a sufficient audience to develop to warrant the cost of the programs is for enough broadcasters to offer a sufficient quantity of such programming to motivate consumers to buy the higher cost HDTV sets. Because few viewers will be able even to receive HDTV programming when the service is rolled out, however, broadcasters will, in effect, be asked to invest in higher cost HDTV programming in advance of a demonstrated market for it. While many broadcasters -- including Capital Cities/ABC (both as a network and a station operator) -- have declared publicly an intention to offer HDTV programming at the outset, other broadcasters may elect to defer the expense associated with HDTV until the investment made by fellow broadcasters bears fruit and an HDTV market develops. We believe that such a piecemeal roll out of HDTV programming would undermine greatly the fair market test the Commission should seek to achieve.

The only way for the Commission to assure that enough HDTV programs are in fact offered is for the Commission to require each broadcaster to offer a minimum number of hours of HDTV. The level of minimum HDTV hours should be set high enough to offer the public a fair sampling of HDTV but not so high in the early years as to outstrip the program supply or put undue financial pressure on stations whose first priority is to achieve HDTV "pass through" capacity to meet the FCC's construction deadline. At first, the HDTV program supply will consist almost entirely of 35 mm film. This inventory will grow to the extent that this fair market test of HDTV creates an increased demand for such programming.

We believe that at the beginning of the transition the minimum should be set at at least five hours per week. In order to best serve the purpose of offering the public an adequate opportunity to sample the new HDTV service, HDTV programs should be offered to a substantial degree in prime time. Special programs which command large and loyal audiences but which may be broadcast outside prime time, such as the major sporting events, would also serve this objective.

Some years into the transition period, once there has been an adequate test of the public's reaction, it may be appropriate for the Commission to revisit the minimum hours requirement and either increase or decrease the requirement based on all the facts known at that time.



#### IV. Simulcasting

The principles articulated above would be best served by the imposition of a simulcasting requirement. First, and most basically, simulcasting accomplishes the core purpose of the loan of the second channel -- to enable the public to receive with upgraded picture and sound the same quality free over-the-air service it enjoys today. Second, a simulcast requirement is the surest way to drive the market for new digital sets and thus to expedite the transition so that the return of the second channel can occur as rapidly as possible.

Simulcasting serves the goal of providing digital set owners a technically upgraded broadcast service by assuring that the programming available in NTSC can be viewed in a higher quality format. This will be the case even if the Commission mandates an all-mode receiver (and all-mode convertor) requirement as proposed in the Broadcasters Comments. Even though such a requirement would give digital set owners a decoded NTSC picture, the same NTSC programming when upconverted on the ATV channel will be of perceptibly higher quality as received in the home. In addition, if the NTSC program is a 35 mm film program, it can be transmitted and received on the ATV channel in HDTV resolution and wide screen format, as opposed to the less desirable 4 x 3 picture with side panels on the decoded NTSC channel.

The goal of expediting the transition is also promoted through simulcasting. The Commission faces the vexing problem of devising transition rules that will expedite the completion of the

transition period and the give back of one of the two channels. Because the transition cannot be accomplished before digital sets predominate, the challenge before the Commission is to chart the course that is most likely to drive demand for the purchase of such sets by consumers. We believe that the engine most likely to drive that demand is the availability of a technically upgraded version of precisely the same programming that today drives the ratings of our television stations. It is difficult to imagine that new ATV-only programs could be offered that would be so unique and so highly desired that their availability on the ATV channel would drive the sale of digital sets.<sup>4</sup> And while some postulate consumer excitement about futuristic applications, the truth is that the appeal of such services to viewers is wholly untested. The most realistic scenario is that the programming the public will most want to watch on the ATV channels is the same mass-appeal programming it chooses to watch now on the NTSC channel. It is entirely appropriate for the Commission to recognize this reality and to maintain a simulcast requirement in light of it to ensure that the most popular programming will be available on the ATV channel.

In harnessing the market appeal of existing programming through a simulcast requirement, the Commission would most certainly not be ruling out or unduly stifling the flexibility to

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<sup>4</sup> Since there will be no ATV audience at the start of the transition and no significant ATV audience for years thereafter, there would be little incentive for programmers and stations to invest in special ATV-only free over-the-air programming.

use the channel to develop other services further to foster consumer interest. To the contrary, a simulcasting requirement does not rule out flexible use of the ATV channel. During the early years of the transition, assuming a modest HDTV minimum hours requirement, broadcasters will have the ability to satisfy the simulcasting requirement and still use the ATV channel for other purposes outside the HDTV minimum hours. There is more than an adequate opportunity for a market for such purposes to develop if there is a true consumer interest in them.

We believe that the simulcasting requirement should be imposed at the outset of the transition. The Commission's original rationale for a phase-in period -- to allow ATV experimentation -- can be met without the need for a phase-in. As explained above, a modest HDTV minimum requirement would allow ample opportunity for ATV experimentation.

We also believe that simulcasting should be defined as simultaneous carriage of the same program on both channels.<sup>5</sup> This will serve the purpose of driving digital set penetration by eliminating the consumer confusion that might arise if popular NTSC programs are not available on the digital channels at the same time as they are broadcast to NTSC viewers. Time period transparency between the two channels would make promotion of ATV service and new digital sets simpler and more effective.

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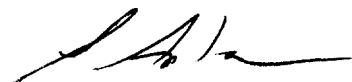
<sup>5</sup> When the ATV channel is being used for multiple program services, simulcasting should be defined as simultaneous carriage of the NTSC program on the NTSC channel and on one of the ATV program services.

IV. Conclusion

The Commission should adopt both minimum HDTV hours and simulcasting requirements effective at the beginning of the transition period in order to carry out the principal purpose of the ATV transition -- to permit broadcasters to replicate their existing program services on a new transition channel which offers the public the highest possible picture and sound quality.

Respectively submitted,

By:



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